TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE

FISCAL NOTE

HB 3059 - SB 3530

March 2, 2010

SUMMARY OF BILL: Requires all health insurance providers, by January 1, 2011, to offer coverage of custom fabricated and fitted devices at a rate no less than 75 percent of the amount provided by federal laws and regulations for the aged and disabled. The provisions of the bill will not apply to TennCare enrollees.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Increase Local Expenditures - $100,000*

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation would result in an increase in the cost of health insurance premiums which exceeds $100,000 for plans that do not currently offer prosthetic devices within the provisions of the bill.

Assumptions:

* The provisions of the bill will create a mandated benefit for prosthetic devices when determined appropriate by a health care provider.
* According to the Department of Finance and Administration, the State Plan, Local Government and Local Education Health Plans will be exempted.
* Any local government health plans that are not part of the state plan will incur an estimated increase in expenditures which will exceed $100,000 for covering prosthetic devices at 75 percent of the amount provided by federal law and regulations for aged and disabled.
* The Department of Commerce and Insurance is responsible for the implementation and regulation of the provisions of this bill. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.

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*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

James W. White, Executive Director

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